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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SCHEFENACKER PLC,

Debtor in Foreign Proceeding.

Chapter 15

Case No. 07-11482 (SMB)

**APPELLEE'S DESIGNATION OF FURTHER ITEMS
TO BE INCLUDED IN THE RECORD ON APPEAL
AND COUNTERSTATEMENT OF ISSUES ON APPEAL**

Schefenacker plc ("Appellee"),¹ by its counsel, Allen & Overy LLP, hereby files this designation of further items to be included in the record and counterstatement of the only issues to determine on appeal (the "Appeal"), notice of which was filed on June 25, 2007 by a group of bondholders (together, the "Appellants") with respect to the Order, entered on June 15, 2007, Recognizing the Appellee's Company Voluntary Arrangement as Either Foreign Main

¹ Until July 3, 2007, the date on which the Appellee completed the implementation of all the transactions required to effect Appellee's restructuring, including the implementation of the transactions contemplated under the CVA (as defined below in footnote 2), Richard Heis and Samantha Rae Bewick had acted as the petitioners in the above-captioned case and the joint supervisors under the CVA. Having fully discharged their duties under the CVA, Mr. Heis and Ms. Bewick have vacated office as joint supervisors following the completion of the CVA, in accordance with the English Insolvency Rules. Accordingly, Schefenacker hereby reserves all of its rights and defenses to seek the immediate dismissal of the Appeal as being constitutionally and equitably moot.

Proceeding or Foreign Nonmain Proceeding and Enforcing Company Voluntary Arrangement in the United States (the "Order") [Docket No. 81].²

I. Appellee's Designation of Further Items to be Included in the Record on Appeal

Filing Date	Docket No.	Description
May 15, 2007	3	Memorandum of Law <i>in Support of Petition for Recognition and Enforcement of Voluntary Arrangement</i> filed by Kenneth P. Coleman on behalf of Schefenacker plc.
May 16, 2007	5	Order Granting Application for Ex Parte Relief signed on 5/16/2007.
May 22, 2007	8	Certificate of Service <i>of Tatiana Ingman</i>
May 31, 2007	12	Affidavit <i>of Publication</i>
May 31, 2007	13	Affidavit <i>of Publication</i>
June 11, 2007	41	Memorandum of Law <i>in Support of Bondholder Group Objection to Chapter 15 Petition</i> filed by Ralph M. Stone on behalf of Bondholder Group, Joe Doran, Horst Schultzen.
June 11, 2007	43	Certificate of Service <i>by Publication</i>
June 13, 2007	79	Memorandum of Law <i>Petitioners' Reply Memorandum of Law in Further Support of Verified Petition for Order Recognizing Company Voluntary Arrangement as Foreign Main Proceeding</i>
July 10, 2007	92	Certificate of Service <i>and Publication of Tatiana Ingman</i>
July 10, 2007	93	Affidavit <i>of Publication</i>
July 10, 2007	94	Affidavit <i>of Publication</i>

² Appellee's company voluntary arrangement proposal under the Part I of the UK Insolvency Act (the "UK Insolvency Act") was originally issued on March 9, 2007 (the "March 9 Proposal"); a modified proposal issued on April 5, 2007 (the "April 5 Proposal" and, together with the March 9 Proposal, the "CVA"); copies of the March 9 and April 5 Proposals are annexed as Exhibits A1 and A2, respectively, to the Order. The CVA was approved by

Each of the foregoing items designated shall also include any exhibits thereto.

II. Appellee's Counterstatement of Issues on Appeal

1. Whether the Appeal should be dismissed as being constitutionally and equitably moot because the Appellants failed to seek or obtain a stay of the Order and therefore no effective relief is available at this time to the Appellants as it would be impossible to unwind the numerous transactions that have been effected to complete Appellee's restructuring in reliance on the immediate effectiveness of such Order without causing unfair — and substantial — prejudice to all the other parties in interest?³

2. If the Appeal is not so dismissed, whether the Bankruptcy Court abused its discretion under sections 105(a), 1507 and 1521 of the U.S. Bankruptcy Code by entering the Order recognizing Schefenacker's foreign proceeding and enforcing the CVA in the United States through a permanent injunction when none of the Appellants timely commenced a proceeding permitted under UK Insolvency Act to challenge the CVA in the High Court of Justice, Chancery Division, in England on either of the statutory grounds set forth in the UK Insolvency Act: (a) that the CVA unfairly prejudices the interests of a creditor, member or

Appellee's creditors and members who voted in person or by proxy at meetings held on May 2, 2007.

³ Appellee hereby reserves the right to seek payment from the Appellants for all attorneys' fees and other costs incurred by Appellee to litigate the Appeal should the Appellee prevail.

contributory of Appellee, or (b) that there has been some material irregularity at or in relation to the May 2, 2007 meetings during which Appellee's creditors and members voted to accept the CVA?

Dated: New York, New York
July 13, 2007

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